

REMARKS

This Amendment and Request for Reconsideration is submitted in response to an outstanding Office Action dated November 29, 2006, the shortened statutory three month period for response having expired on February 28, 2007. Accordingly, this submission is submitted with a petition for an extension of time.

I. Status of the Claims

Claims 15 - 20, and 22 - 24 are pending in the application. Claims 15, 18, 23 and 24 are independent claims.

Applicants acknowledge the Examiner's citation of statutory authority as a basis for claim rejections.

II. Rejections under 35 U.S.C. § 101

The undersigned thanks the Examiner for the time spent in an interview on March 14, 2007. That interview addressed the rejections under 35 U.S.C. § 101 and 112, but no agreement was reached with respect to allowability of the claims in their present form.

Applicant responds to the November 29, 2006 office action and includes arguments substantially as presented in prior responses so as to preserve the arguments for appeal.

In the Office Action dated November 29, 2006, claims 15 - 20 and 22-24 have been rejected under 35 U.S.C. § 101 on the bases that the claimed invention is directed to non-statutory subject matter, and that the claims must be a "new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof." Office Action at ¶ 3, page 2.

The Examiner also states that with respect to "an exchangeable security", it is "not clear if the claimed invention is a 'new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof'. An exchangeable security is essentially a

collection of information and rights and as such does not fall into one of the above-mentioned categories.”

Finally, the Examiner states that “the claims are nonfunctional descriptive material, per se. There is no computer-readable medium recited and even if there was a medium, the information recited, i.e. value, amount, right, is not functional descriptive material. In other words, this is not directed to an executable program or a data structure that would control a computer, it is just a collection of data.”

Applicant respectfully submits that the subject matter of claims 15 - 20, 22, 23 and 24 meet the requirements of 35 U.S.C. § 101. Applicant further submits that the claimed subject matter is statutory because the invention is a practical application and as a whole produces a “useful, concrete and tangible result.” State Street Bank & Trust Co. v. Signature Financial Group, Inc., 149 F.3d 1368, 1973, 47 U.S.P.Q.2d 1596 (Fed. Cir. 1998). The instant inventions are directed to practical applications of functional financial instruments, in the form of exchangeable securities that are tradable on a securities exchange. Applicant respectfully submits that the claimed exchangeable securities produce a useful, concrete and tangible result, and as such constitute inventions in the field of finance.

A useful, concrete and tangible result is provided by, among other things, a financial instrument not heretofore known to the field of finance. By providing a new exchangeable security having an issue value that is a price of one share of an underlying security at a first time, a linked payment amount linked to the exchangeable security, and an exchange right beginning at a second time after the first time, wherein a holder of the exchangeable security may tender one share of the exchangeable security and receive in return one share of the underlying security and the linked payment amount, participants of the transaction receive a tangible benefit. For example, a holder of the exchangeable security will obtain the linked payment amount, which is

more than the return of the underlying security. In addition, by providing a new exchangeable security having an issue value that is a price of an underlying basket of underlying securities at a first time, a linked payment amount linked to the exchangeable security, and an exchange right beginning at a maturity date after the first time, wherein a holder of the exchangeable security may tender one share of the exchangeable security and receive in return the basket of underlying securities and the linked payment amount, participants of the transaction also receive a tangible benefit. For example, a holder of the exchangeable security will obtain the linked payment amount, which is more than the return of the underlying basket of securities.

Finally, in allowing U.S. Patent No. 6,947,901 to McCabe et al., the U.S. Patent and Trademark Office has acknowledged the patentability of claims directed to financial instruments, and therefore acknowledged that financial instruments themselves constitute statutory subject matter. Issued claim 1 of the '901 patent recites "A first financial instrument representing an ownership interest in a first portfolio ..." Pending claim 1 of the instant application recites "An exchangeable security that is tradable on a securities exchange ..." There is no significant difference in the statutory subject matter of the claims.

Applicant submits the pending claims satisfy the requirements under 35 U.S.C. § 101 and asks that the Examiner withdraw the rejection.

III. Rejections under 35 U.S.C. § 112

In the Office Action dated November 29, 2006, claims 15 – 20 and 22-24 have been rejected under 35 U.S.C. § 112 ¶ 2 on the basis that the claims are allegedly indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Office Action at ¶ 5, page 4.

Specifically, the Examiner indicated that "It is not clear if by the term 'An exchangeable security', the Applicant means 'a method', 'an apparatus' or 'a process.'"

Applicant submits that claims 15 - 20, 22, 23 and 24 are neither vague nor indefinite since, when interpreted in light of the disclosure, they reasonably apprise a person of ordinary skill in the art of the invention. See MPEP § 2106(V)(A)(2) (the definiteness of the language must be analyzed "in light of the teachings of the disclosure as it would be interpreted by one of ordinary skill in the art."). The claimed inventions relate to financial instruments within the field of finance, and as such relate to practical applications which applicant respectfully submits are neither vague nor indefinite.

IV. Provisional Rejection under Double Patenting

The pending claims have been provisionally rejected under the judicially created doctrine of obviousness-type double patenting over claims of co-pending Application No. 09/769,999 to Seaman.

Applicant submits that in the event that claims that are not patentably distinct become patented, applicant would submit an appropriate terminal disclaimer.

V. Request for Consideration

Applicant respectfully submits that the claims of this application are in condition for allowance. Accordingly, reconsideration of the application and allowance is requested.

Applicant is amenable to scheduling a meeting with the Examiner and the inventor to explain the invention if the Examiner believes this may assist the Examiner in his examination of this application. Alternatively, if a conference would assist in placing this application in better condition for allowance, the undersigned would appreciate a telephone call at the number indicated below.

PATENT
Docket No.: 36287-00702

Respectfully submitted,
Milbank, Tweed, Hadley & McCloy LLP



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Chris L. Holm
Reg. No. 39,227

Milbank Tweed Hadley & McCloy LLP
601 S. Figueroa
Los Angeles, CA 90017
(213) 892-4000 / (213) 629-5063 (facsimile)